

## **MEETING #6 February 12**

At a Budget Workshop Session of the Madison Board of Supervisors on February 12, 2010 at 9:00 a.m. in the Thrift Road Complex Conference Room:

PRESENT: Eddie Dean, Chairman  
James L. Arrington, Vice-Chairman  
J. Dave Allen, Member  
Jerry J. Butler, Member  
Pete J. Elliott, Member  
Lisa R. Kelley, County Administrator  
Teresa Miller, Finance Director

ABSENT: V. R. Shackelford, III, County Attorney

Chairman, Eddie Dean called the meeting to order and noted the presence of a quorum.

Also present for today's session was Robert Finks, Emergency Communications Director and Carl Pumphrey, Emergency Services Director.

**\*JAMES L. ARRINGTON ARRIVED @ 9:15 A.M.\***

### **Homeland Security Grant (Administration Contract):**

Robert Finks, Emergency Communications Director, advised the Madison County Board of Supervisors that it would be necessary for the County to execute a contractual agreement with Greene County, setting forth the terms and conditions under which Greene County will serve as the fiscal agent for the Homeland for the Homeland Security Grant.

Lisa Robertson, County Administrator, briefly described the terms of the contract to the Board. Having previously voted to approve the grant agreement and accept the funding, the Madison County Board of Supervisors, by consensus, indicated their consent for Chairman, Eddie Dean to sign the contract.

### **Conclusion of Declared Local Emergency:**

The Madison County Board of Supervisors previously affirmed the declaration of a local emergency in connection with the winter storm event that began on February 4, 2010.

After discussion, on motion of Jerry J. Butler, seconded by Pete J. Elliott, the Board voted to formally end the local state of emergency, effective at 5:00 p.m. on Thursday, February 11, 2010, with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
J. Dave Allen	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye

### **FY2011 BUDGET DISCUSSION:**

Teresa Miller, Finance Director, presented an overview of the County's budget document and explained its format and the relationship among the General Government, School, Social Services, and Comprehensive Services Act operational functions.

Lisa Robertson, County Administrator, presented an overview of her Budget Recommendations for FY2011. She explained that the draft budget was a balanced budget, but that balance had been achieved without a recommended tax increase only by:

- (i) using \$2.9 million of the Fund Balance (i.e., undesignated reserves) and;
- (ii) by reducing the amount of budgeted Contingency Reserve from \$1.16 million (FY2010) to \$435,295.

Lisa Robertson, County Administrator, urged the Board to consider increasing the budgeted contingency, or decreasing the use of Fund Balance, if funds can be freed up by the conclusion of the budget process. Possible sources of such funds could come from revised budget projections for the Regional Jail; additional revenues identified by the Board; and additional expenditure cuts by the Board. However, Lisa Robertson, County Administrator, also noted that it is very likely that substantial additional state revenues will be withheld by the Commonwealth for education, public safety and other programs, and that it may be difficult to both meet our state mandates as well as budget for a comfortable contingency.

Lisa Robertson, County Administrator, and Teresa Miller, Finance Director, reviewed with the Madison County Board of Supervisors, the revenue

projections included in the February 9, 2010 Recommended Budget and noted the following:

- 1) Real estate revenues are projected to remain constant – the Commissioner of the Revenue has reported, to date, less than \$30,000 of increase in taxable real estate value for Tax Year 2010.
- 2) Projected revenues from collections have been separated from revenues anticipated to be collected for possible delinquencies, real estate taxes, and several other categories of taxes.
- 3) For 2009, personal property tax revenues were down substantially; this is primarily attributed to a substantial decrease in NADA valuations (about 18%). Pete J. Elliott noted that, as the Madison County Board of Supervisors works through the budget over the next few meetings, he would be interested in discussing whether the Board can find a way to eliminate the personal property tax on farm equipment altogether in FY2011.
- 4) Local sales taxes and meals taxes decreased 2-3% from 2008 to 2009; projections anticipate no increase in those revenues over the 2009 receipts.
- 5) Revenues from commercial waste disposal at the Transfer Station decreased approximately 35% from 2008 to 2009 - a continued decline in these revenues is projected for FY2011.
- 6) Revenues from the Commonwealth as contributions toward the salary expense of Constitutional Offices (“shared expenses”), based on the most recent information received from the Virginia Compensation Board, will decrease \$283,179 for FY2011; however, the budget projections included in the current-year budget (FY2010) were conservative and anticipated multi-year decline, so the actual impact for FY2011 will be approximately \$165,000.
- 7) In the initial budget presented by the School Board, state revenues (including sales tax) are projected to decline by \$567,917, plus an additional loss of \$379,585 in state stabilization funds (total projected state revenue loss: \$947,502. These projections were based on the budget introduced by former Governor Kaine, and assume (based on Kaine’s recommendation) that the impact of the increase in Madison County’s Local Composite Index would be postponed at least

until FY2012. However, the school numbers are very likely to change as a result of the General Assembly's budget deliberations.

Lisa Robertson, County Administrator, and Teresa Miller, Finance Director reviewed, with the Madison County Board of Supervisors, the anticipated expenditures included within the February 9, 2010 Recommended Budget, and the various areas where reductions had been made and where increases are anticipated, as follows:

- 1) One substantial proposal for reducing payroll costs is to require employees to contribute a portion of the costs of individual health insurance premiums; based on the FY2010 plan costs, this would save approximately \$147,000.00.
- 2) Other substantial expenditure reductions were programmed in the following areas: Public Works (-\$93,118); Local Health Department (-\$25,386); General Administration (-\$17,897); Animal Control & Shelter (-\$5,405); Zoning & Building Inspections [together] (-\$7,571).
- 3) The most substantial increase in FY2011 expenditures, over which the County has little or no control, are as follows: Regional Jail funding (worst case projection, an additional \$432,249); School funding (preliminary request for an additional \$269,278 of local funds); Emergency Communications Equipment replacement (\$96,295); Capital Lease (Sheriff's Vehicles (\$84,077); Increase of VRS contributions (\$74,072).

James L. Arrington inquired as to when Mrs. Frye's position had been moved into the "General and Financial Administration" budget area and out of the "Legislative" [i.e., Board of Supervisors'] budget area. Mr. Dean noted that this change had been made by the Board beginning with the FY2008 Budget.

Teresa Miller, Finance Director, and Lisa Robertson, County Administrator noted that, in keeping with the objective of conforming to APA accounting standards, and with the intention of accurately recording all the County's administrative expenditures for purposes of the annual Cost Allocation Study (which determines how much reimbursement the County may obtain from the Commonwealth for certain administrative expenses) Mrs. Frye's position was moved within the budget document, and given a title of Office Assistant.

Jerry J. Butler expressed concern that if he had research that he wanted help with, that Mrs. Frye's services might not be available if her position is overseen by the County Administrator.

Lisa Robertson, County Administrator, assured Mr. Butler that Mrs. Frye continues to provide secretarial services to the Board of Supervisors, in addition to the general administrative duties that she performs in support of general county operations.

James L. Arrington indicated that he has no recollection of this change having been made in the budget

James L. Arrington and Jerry J. Butler voiced their objection to Mrs. Frye having a job title of anything other than "Secretary to the Board of Supervisors."

Lisa Robertson, County Administrator, and Teresa Miller, Finance Director, reviewed each budget department with the Madison County Board of Supervisors, and provided information as to how recommendations were made for FY2011 based on current- and prior-years' actual expenditures and the various requests of Constitutional Officers and outside agencies.

With no further action being required, on motion of Jerry J. Butler, seconded by James L. Arrington, Chairman, Eddie Dean adjourned the meeting, with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
J. Dave Allen	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye

Date: March 1, 2010